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13 JAN 1948

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ARMY, DOS, DIA reviews

GENERAL

1. Communists believed planning "purge" of WFTU--Important trade union leaders in Paris have expressed to US Embassy Paris the conviction that the Kremlin has decided to bring the World Federation of Trade Unions (WFTU) completely under its control even at the cost of a split with the British Trades Union Congress and the CIO. These leaders believe that instructions have been given to Soviet and Communist leaders of the WFTU to "purge" it of non-Communist elements and to turn it into an organization similar to the Third International.

(CIA Comment: Soviet tactics at the November 1947 meeting of the WFTU Executive Bureau did not support these views but rather a desire to postpone action on any issue which might break up the WFTU.)

Army/DOS/DIA
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2. US views on sale of US military equipment to Italy--The Department of State has informed US Embassy Rome that no legal authority is available for the transfer of any significant quantities of US military equipment to the Italian armed forces without reimbursement by Italy of the cost and handling charges. Accordingly, the Embassy is instructed to explain to De Gasperi the obstacles involved and to ascertain from the Italian Government what equipment is necessary and whether the Government will agree to pay for it.

EUROPE

3. TRIESTE: Lack of finances undermining AMG--US Political Adviser Joyce believes that Trieste's budgetary deficit threatens to undermine completely the Anglo-American position in the FTT unless something is done immediately. (AMG funds will be exhausted by 15 January; [redacted])

[redacted] Joyce considers it unrealistic to rely on Italy to assume the financial burden of AMG; he suggests that the necessary funds be procured: (a) from the US Army; (b) through a Government-guaranteed loan from some fiscal agency or bank in Washington; or (c) by earmarking some of Italy's interim aid for AMG

Document No. Trieste. 00

CHANGE in Class. ☐

DECLASSIFIED

3. CHANGED TO: TS S C

DATE: 4 Apr 77

BY: 77/1763

10 MAR 79 By: [redacted]

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NEAR EAST-AFRICA

4. **SAUDIA ARABIA:** ARAMCO official discouraged about pipeline--
US Minister Childs transmits the opinion of Vice President Duce of the Arabian-American Oil Company that, so long as the Palestine situation remains unstabilized, it is doubtful whether the Arab governments would be able to protect the proposed Saudi Arabian-Lebanon pipeline, even if Syria finally authorized the passage of the line through its territory. As a solution to the Palestine situation Duce proposes that the US urge the Zionists to come to terms with the Arabs on the grounds that the alternative would be armed intervention and the US has no intention of so intervening.
5. **INDIA:** Pakistan's military position considered weak--The US Military Attache in Karachi believes that Pakistan cannot support a war in any form because of limited military supplies and further points out that the dominion is admittedly unsuccessful in preventing looting and raiding by the armed tribesmen in the West Punjab area adjacent to India. The MA adds that Pakistan leaders not only welcome UN intervention in the Kashmir dispute but also hope that the UN will recommend the use of neutral troops in maintaining order along the border and in Kashmir.

FAR EAST

6. **INDONESIA:** Dutch accept US proposals--The US delegation to the GOC reports that the Netherlands Government has accepted the text of the US delegation's proposals [redacted] and that the Indonesian Republic will be urged to accept also. The US delegation believes that the Republic will probably sign a truce agreement on 14 or 15 January.

The Netherlands Foreign Office has informed US Embassy The Hague that Dutch acceptance of the US proposals has been difficult to obtain, and has expressed the hope that a cease-fire agreement will be duly implemented.

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(CIA Comment: The Republic has been unwilling to sign a truce agreement until some political settlement could be reached with the Netherlands. The grounds for such a settlement exist in the US proposals. However, the realization of GOC objectives will depend upon the Republic's success in controlling its forces and upon Dutch willingness to regard these Republican efforts as sincere.)

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